



PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 18, 2006
CONSTRUCTION COMMITTEE
OCTOBER 19, 2006

SUBJECT: RESTORATION OF THE LANKERSHIM DEPOT TRANSIT CENTER

ACTION: APPROVE LIFE OF PROJECT BUDGET FOR RESTORATION OF THE LANKERSHIM DEPOT TRANSIT CENTER AND AUTHORIZE RELATED ACTIONS

RECOMMENDATION

- A. Approve a change in Project sponsor from the Community Redevelopment Agency of the City of Los Angeles (CRA) to Metro for execution of the Scope of Work in the Memorandum of Understanding (MOU) dated December 31, 2001, to restore the Lankershim Depot Transit Center (Project), including sponsorship of a grant of \$817,000 in local Proposition C 10% funds previously awarded to the CRA for this purpose via a Call for Projects.
- B. Authorize the reprogramming of \$2.439 million in Proposition C 10% Call for Project grant funds awarded to the City of Los Angeles (City) for the Downtown San Pedro Transit Hub Mixed Use Development project to the Lankershim Depot restoration project.
- C. Authorize the Chief Executive officer ("CEO") to negotiate and execute an agreement between the CRA and Metro so that Metro may receive up to \$364,803 of City of Los Angeles local matching funds and the \$2.439 million of reprogrammed funds in B above, contingent on approvals of the CRA Board of Commissioners and the Los Angeles City Council.
- D. Adopt a Life of Project budget of \$3.600 million (Attachment A) for the Depot, contingent on an executed agreement as specified in C above that includes the local Proposition C 10% funding grant, as well as the City's local match and the reprogrammed Proposition C 10% funds.

ISSUE

At the March 2006 Board meeting, the CEO recommended that Metro assume sponsorship of the Lankershim Depot Call for Project grant from the CRA, program funding to cover the Project's cost increase and proceed with all actions required to fully restore the Lankershim Depot as outlined in the original Scope of Work. When the CEO presented this recommendation, the Board directed staff to continue to work with the City to secure additional funding commitments. Board members also suggested that staff consider programming State Transportation Enhancement Activity (TEA) funds to the Project.

Programming the project in the State Transportation Improvement Program (STIP) and obtaining an allocation vote from the California Transportation Commission (CTC) to secure Transportation Enhancement funds for the Project requires up to 9 months. This would further delay the Project.

Staff met with the City and CRA several times to discuss an increased City financial contribution to the Project. City and CRA staff have agreed to recommend to the CRA Board and to City Council that the City cancel a Metro Call for Projects grant funded project (the Downtown San Pedro Transit Hub Mixed Use Development) and apply these funds to the North Hollywood Depot restoration project. This will cover the entire cost increase over the originally estimated cost for the North Hollywood Depot restoration.

Metro Staff also met with the CRA and City staff regarding issues raised by Councilmember LaBonge in a letter to Director Yaroslavsky dated March 31, 2006 (Attachment B). In his letter, the Councilmember identified certain items of importance to him in connection with restoring the Lankershim Depot, such as future use and placement of the Depot, credit for CRA funds already spent on the design of the project, and landscaping on a nearby Metro owned right-of-way. These issues have also been resolved as described in the Discussion section of this Report

POLICY IMPLICATIONS

The Lankershim Depot is identified as an integral component of the Metro Orange Line station area in the San Fernando Valley East-West Transit Corridor Final Environmental Impact Report (FEIR). The transit center will provide linkage between and services for the Metro Orange Line, the Metro Red Line and adjacent transit plaza, local bus service, the Chandler Bikeway and the neighboring NoHo Arts District. Ensuring the completion of this Project will fulfill the vision for this area contemplated by the Board in its adoption of the FEIR for the Metro Orange Line in February 2002.

OPTIONS

The Board could choose not to accept sponsorship of the Project at this time. Staff does not recommend this option, as the structure is in a dilapidated state, at risk for vandalism and a continuing liability and maintenance problem. Further, the North Hollywood community stakeholders have repeatedly expressed their interest and support for the Depot restoration, and their concern that the Project may be delayed or cancelled.

FINANCIAL IMPACT

The recommended actions establish the Lankershim Depot Transit Center Project as a Metro capital project with a budget of \$3.6 million. \$817,000 in Proposition C 10% funds were previously programmed through the Call for Projects, and the original CRA match was 30.9%, or \$364,803. CRA has already expended \$215,236 of this match on professional services, resulting in a complete set of construction plans and specifications. These plans will become the property of Metro and the value of this expenditure will be applied against CRA's total match. An amendment to the MOU will be executed, outlining the process by which CRA will be billed for the balance of its committed match as construction expenses are incurred by Metro. The remaining \$2.418 million required funding will come from the reprogramming of the Proposition C 10% grant funds formerly granted to the City's Downtown San Pedro Transit Hub Mixed Use Development project. (Approximately \$21,000 of funds remaining from the Downtown San Pedro Transit Hub Mixed Use Development grant will be deobligated and returned to Metro for other uses.) This reprogramming action is contingent upon favorable actions by both the CRA Board of Commissioners and the City Council, that are expected to take place in the near future.

The FY07 budget includes \$1,312,141 in Project number 800118, in Construction Management cost centers. As this is a multi-year project, the Construction project manager will be responsible for budgeting needed amounts in future years.

DISCUSSION

Councilman Tom LaBonge had requested consideration of the following issues in his March 31, 2006 letter to Supervisor Zev Yaroslavsky:

- Inclusion of a variety of transit patron and community services, such as public restrooms and bicycle services in the Lankershim Depot;
- Assurance that the Lankershim Depot would not be relocated;
- Permission for CRA to landscape the Metro right of way adjacent to the NoHo Commons Phase I development; and
- Credit to CRA for funds already spent on the Lankershim Depot Project.

Metro plans to utilize this space as a much-needed customer service center and possibly minimal office space for Metro Orange Line operations. This pivotal location at the intersection of Lankershim Boulevard, 16 local bus routes, the Metro Red Line and Metro

Orange Line is ideal for such a facility. The restored Depot will also contain restrooms for use by Metro operators and staff. Additionally, Metro will make space available for a small concession service at the Depot, and provide bicycle parking in or near the site. The budget includes a small allowance for tenant improvements. More funding, however, will likely be required for the above tenant improvements, depending upon the ultimate use.

Specifically, staffs of Metro and the City agree on the following:

- Transit patron and community oriented uses:
 - o Metro and City staffs agree that a Metro customer service center is considered a transit patron and community oriented use. Space for a small café or concession stand will also be provided at the Lankershim Depot. The ultimate use of the Depot will be the subject of dialogue with the CRA as part of the joint development process. In May 2006, the Board adopted the North Hollywood Conceptual Development Guidelines for the larger North Hollywood site including the Lankershim Depot property. These conceptual development guidelines call for any future development to include a customer service center at a suitable location, if it does not remain in the Lankershim Depot.
- Public restroom facilities:
 - o Public restroom facilities will be located within the limits of the joint development project per provisions of the conceptual guidelines. An Automated Public Toilet (APT) is located at the North Hollywood Red Line station, across Lankershim Boulevard. Councilmember LaBonge may secure an additional APT for the area. A future developer is to provide public restrooms on both sides of Lankershim Boulevard.
- Bicycle services and parking:
 - o Bicycle lockers and racks, installed near the Lankershim Depot, are part of the Metro Orange Line station facilities, and will continue to be a part of any future joint development of the site. The development guidelines state that space for a bike station is to be reserved in the joint development plan should Metro secure funding for its construction and operation.
- Assurance that the Lankershim Depot will not be relocated:
 - o Preservation of the Depot at its current site, as one development proposal, is another requirement of the guidelines. The guidelines allow for the proposal of an alternative location, but the developer must justify the alternative. The alternative location must be consistent with the Lankershim Depot's historic designation and transportation heritage.
 - o CRA's plans included stabilization and rehabilitation of vintage railroad tracks adjacent to the Depot. The Councilmember intends to try to secure a locomotive for placement and display.

- Landscape of Metro Right-of-Way adjacent to NoHo Commons Phase I:
 - o Metro's Real Estate department will issue a License Agreement for the right-of-way landscaping in the near future.
- Credit for CRA expended funds:
 - o Metro will credit CRA for all verified funds previously expended on the Depot Project. As previously discussed in the Financial Impact section of this Report, CRA has already spent \$215,236 on professional services for the Lankershim Depot restoration, resulting in construction plans which Metro will use to complete the Lankershim Depot restoration.

Metro staff will initiate contract action for the Project. If staff recommendations in this Board Report are approved, Metro staff will finalize contract documents and initiate contract actions to procure bids for the restoration work.

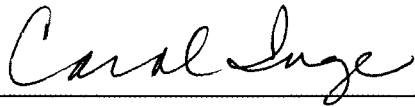
NEXT STEPS

If the actions recommended in this Board Report are taken, staff will finalize the design for the Lankershim Depot Transit Center Project and issue bid documents in the spring of 2007.

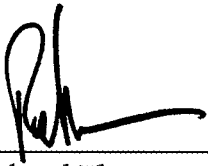
ATTACHMENTS

- A. Funding/Expenditure Plan
- B. Councilmember LaBonge's letter dated March 31, 2006

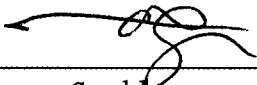
Prepared by: William R. Brown, Project Control Manager
Kathleen M. Sanchez, Transportation Planning Manager
Roger F. Dames, Deputy Executive Officer, Project Manager
Kevin J. Michel, Director, San Fernando Valley/North County Area Team



Carol Inge
Chief Planning Officer



Richard Thorpe
Chief Capital Management Officer
Construction Project Management



Roger Snoble
Chief Executive Officer

ATTACHMENT A

**Lankershim Depot Transit Center
Funding/Expenditure Plan
9/19/2006**

| | FY07 | FY08 | FY09 | TOTAL | % of Total |
|--|-------------------|---------------------|-------------------|---------------------|-------------------|
| Uses of Funds | | | | | |
| Design/Construction - Structure | \$ 80,000 | \$ 2,245,000 | \$ 40,000 | \$ 2,365,000 | 66% |
| Other Services | \$ 300,000 | \$ 65,000 | \$ 10,000 | \$ 375,000 | 10% |
| Project Administration | \$ 180,000 | \$ 260,000 | \$ 60,000 | \$ 500,000 | 14% |
| Right-of-Way | \$ - | \$ - | \$ - | \$ - | 0% |
| Project Contingency | \$ 100,000 | \$ 200,000 | \$ 60,000 | \$ 360,000 | 10% |
| Total Project Cost | \$ 660,000 | \$ 2,770,000 | \$ 170,000 | \$ 3,600,000 | 100% |
| Sources of Funds | | | | | |
| CRA Matching Funds | \$ 364,803 | \$ - | \$ - | \$ 364,803 | 10% |
| Prop C 10% Call for Projects Grant/CRA | \$ - | \$ 817,000 | \$ - | \$ 817,000 | 23% |
| Prop C 10% Reprogrammed Grant/City LA | \$ 295,197 | \$ 1,953,000 | \$ 170,000 | \$ 2,418,197 | 67% |
| Total Project Funding | \$ 660,000 | \$ 2,770,000 | \$ 170,000 | \$ 3,600,000 | 100% |

NOTE: A total of \$2,439,000 in Prop. C 10% funds are to be reprogrammed from the Downtown San Pedro Transit Hub Mixed Use Development project. Of that amount, \$2,418,197 will be applied to the Lankershim Depot Project and the remaining balance (\pm \$21,000) will be deobligated.



CITY COUNCIL OF THE CITY OF LOS ANGELES

TOM LABONGE
COUNCILMEMBER 4TH DISTRICT

ROOM 480, CITY OF
LOS ANGELES, CA
(213) 488-3337
FAX (213) 624-75

March 31, 2006

A Sammis / VV
U3 -
for this to
considered
MTA

Honorable Zev Yaroslavsky
Supervisor, Third District
Room 864, Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear *Zev*

Thank you for your interest in the North Hollywood Depot Restoration Project! We share the vision of the North Hollywood Community to ensure that the historic Depot is restored in place to enshrine its importance to the birth and development of North Hollywood and the San Fernando Valley. It is our belief that the Depot will become a true destination for benefit of both city and county residents who ride public transit.

I have requested that the CRA/LA identify resources for this purpose. To this end, we have identified North Hollywood tax-increment funds that can be utilized for this effort. However, I would like to provide a summary of the city's involvement in this project.

We have an executed MOU dated December 31, 2001 under MTA's Call for Projects under Proposition C for the Lankershim Depot Transit Center (the "Project"). This document states that the Project shall consist of the historic rehabilitation of the depot for reuse as a transit patron and community center and destination, development of a plaza/park adjacent to the depot building along with site landscaping, and stabilization of vintage tracks adjacent to the depot for future display of railroad equipment. Pursuant to this MOU, the use of the depot is intended to be for transit-related functions such as transit information/ticket sales, bicycle services, a vehicle-sharing program, food/refreshment/convenience vendors, and community information/services. As originally envisioned, the scope of work does not include interior tenant improvements. The MOU programmed budget for the Project totals \$1,181,803 of which \$817,000 (69.1%) is Proposition C 10% funds from Metro and \$364,803 (30.9%) was considered to be the local match from CRA.

It is my understanding that Metro proposes to revise the Project and expand the scope of work as described in a staff recommendation to your Board of Directors. As you know, this item was originally scheduled for consideration on March 23, 2006. Revisions consisted of changing the end use of the depot to an administrative facility including a customer service center, bus operator restrooms and administrative space for Metro operations support and the Sheriff's Department. The scope of work would be expanded to include design and build-out of interior improvements for Metro and Sheriff's Department occupancy. Additionally, Metro proposes to modify the depot's substructure and foundation to facilitate the possible relocation of the building to another location in conjunction with potential future joint development of the depot site. The revised budget for the Project now totals \$3.6 million, which includes design and construction plans and specifications previously completed.

RECEIVED

APR 18 2006

-2-

by the CRA, costs solely borne by the CRA in the amount of \$212,553.00. Incidentally, this amount was to be considered as part of our local match.

As discussions move forward, I will be asking CRA and Metro to keep in mind that the Depot restoration is important to the community and is one of three components of Metro right-of-way improvements in the 4th Council District and the 5th Supervisorial District. The other two components, which are integrally related, are the construction of the Chandler Bikeway segment from Vineland to Clybourn and the landscaped improvement of the right-of-way between Fair and Vineland adjacent to the Gallery Apartments at NoHo Commons Phase I.

The City has been asked to contribute half of the rehabilitation construction, currently estimated at \$3.6 million to the Depot Project. This means that we will be increasing our commitment to the Project from 31% to 50%. It should be noted that Metro's proposed revisions, while accomplishing the rehabilitation of the depot, would eliminate most of the direct transit patron and community services, amenities and uses and thus, in my view, reduce the direct overall benefit to the North Hollywood community and the City. As such, I would like for Metro to consider the following items of importance to me:

Inclusion of a variety of transit patron and community oriented uses, services and amenities, such as public restroom facilities and bicycle services for patrons.

Assurance that the Depot will not be relocated. My constituents have emphatically stated that this depot is a local and national cultural resource that must be preserved at his present location;

Issuance of a License Agreement by Metro to CRA to allow CRA, through its development agreements, to improve the Metro Right-of-Way adjacent to NoHo Commons Phase I with landscaping, pursuant to the Land Exchange Agreement regarding the Right-of-Way executed on December 22, 2003; and

Recognition of and credit to CRA of its funds previously expended on the Project.

The North Hollywood Community, along with Red Line and Orange Line customers are looking forward to the completion of the North Hollywood Depot Project. It will achieve the long held goal of restoring the Depot, while providing a destination, services and amenities for transit customers and the community at large. I look forward to our continued collaboration on this and other projects in the Fourth District.

Should you have additional questions, please do not hesitate to call me at (213) 485-3337.

Very truly yours,


TOM LaBONGE
Councilmember, 4th District

TOTAL P.

